

**Testimony of David M. Woodrow,
Executive Vice President, Cox Communications, Incorporated
Before the Senate Commerce Committee's
Subcommittee on Communications,
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Mr. Chairman and distinguished members of this Committee, my name is David Woodrow. I'm Executive Vice President of Cox Communications and I am here on behalf of Cox and as a representative of the cable industry. I appreciate the opportunity to discuss the very important question of whether broadband communication services are being made available to the American people in a timely way and on a comprehensive basis. Although Cox is the fifth largest cable MSO, it operates a substantial number of systems located collectively in Utah, Nevada, Idaho, Kansas, Oklahoma, Missouri, Texas and Louisiana that serve fewer than 10,000 customers. Many of these small systems serve fewer than 2,500 customers. Yet these subscribers will not be left behind – it is in Cox's interest to provide them with advanced services. Moreover, Cox and all other cable operators are prohibited by law from red-lining or cream-skimming.

Mr. Chairman, you and the members of this Committee are exactly right to focus your attention on this important subject. As financial analysts agree, the fabulous U.S. economic performance of the last decade rests on a foundation of the technology-driven information revolution. And the expeditious, widespread utilization of broadband networks and content applications is the promise that must be delivered to all Americans if our robust economy is to be sustained into the next decade. Your urgent desire to see this broadband promise spread to rich, poor, urban and rural citizens alike could not be more appropriate as a national goal.

So how are we doing? Let's first look at some history. It took almost 30 years for the telephone network to grow from the first intercity service between Boston and Lowell, Massachusetts, in 1879 to the intertwined Bell System of 1908. Cellular service was first offered to the public in 1983. Six years later in 1989, two million customers were activated. In 1996, many, but not all, cellular licensees had extended their networks to serve their covered population. By contrast, interactive broadband network capability started from ground zero in 1997. Two years and tens of billions of investment dollars later, today broadband service is being delivered to more than 2 million subscribers. So broadband has grown three times faster than cellular to reach the same initial subscriber threshold.

Mr. Chairman, the encouraging comparisons don't stop here. It has taken Cox roughly two years to be in a position to offer fully one-half of its customer base high-speed data service. Service to elementary and secondary schools is an important adjunct to this achievement. We already have wired more than 3,400 schools with free monthly cable service, and now, where we have upgraded to offer high-speed Internet access, Cox is producing unique distance learning initiatives through its "Line to Learning" program. This is our latest step in our ongoing

commitment to enhancing educational tools. Line to Learning utilizes Cox's high-capacity networks to provide useful content and curriculum via high-speed Internet access. As an extension of its [Cox@Home](#) service, Line to Learning takes advantage of Cox's superior digital fiber-optic network, allowing more data to be transferred at downstream rates that are up to 50 times greater than rates achievable over standard, 56 kilobit per second telephone modems. Cox also has established Cox Model Technology Schools, where advancements in technology can be employed as teaching tools.

During the next five years . . . not much more time than it took Congress to successfully write the '96 Act ushering in the era of interactive broadband deployment . . . virtually the entire Cox customer base of 10 million households passed will have access to broadband data service – rich, poor, urban and rural alike.

Mr. Chairman, Cox proudly has led the cable industry in this Herculean effort. We have spent about \$5 billion already, and we will have spent about \$10 billion when the job is finished in 2004. But the whole cable industry is right in step with us. Cable broadband infrastructure spending to date stands at \$31 billion and is steadily growing year to year. Independent industry analysts project that more than 40% of all U.S. households will have access to cable modem service by year's end. And by 2004, 93% will be passed by broadband two-way networks. Since cable systems currently pass 97% of all U.S. households, in just a few years, high-speed cable Internet service will be available virtually everywhere in this country.

Mr. Chairman, my comments have concentrated on the aggressive record of the cable industry to squash the digital divide. Of course, many other facilities-based broadband players are rushing to provide competitive services to the American people. Telco DSL, third generation PCS, several flavors of microwave, satellite, electric utility and digital broadcast networks are in various stages of development and deployment. I have little doubt that within an amazingly short period of time, every American will be able to secure high-bandwidth access to the Internet. The equally good news is that as these competitive services are deployed, the economics of scope and scale, together with ever-improving technology, will drive the costs to consumers down.

I thank the Committee for the opportunity to present these views and I ask that the National Cable Television Association's filing in response to the Congressionally mandated Sec. 706 survey for the year ending 1999 be included in the Subcommittee record of this proceeding. That filing provides useful information and examples of high-speed data and Internet access services that are already being provided to rural and small communities. Of particular interest to the Members of the Commerce Committee are service offerings in Arizona, Maine, Michigan, Mississippi, Missouri, Nevada, North Dakota, Georgia, Louisiana, Tennessee, West Virginia, Oregon, Washington, and Texas.